

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------|---|----------------|
| DETARIFFING THE INSTALLATION |) | ADMINISTRATIVE |
| AND MAINTENANCE OF INSIDE |) | CASE NO. 305 |
| WIRE |) | |

O R D E R

Introduction

On December 24, 1986, the Commission released an Order in this case that required local exchange carriers to file inside wire cost allocation plans, inside wire revenue and expense information, and local exchange service rate reductions. On January 30, 1987, Brandenburg Telephone Company ("Brandenburg") filed an inside wire implementation plan and associated tariff changes.

Discussion

Brandenburg's inside wire implementation plan indicates that revenues and expenses associated with inside wire are approximately the same. Therefore, in the case of Brandenburg, no local exchange service rate reductions will occur as a result of detariffing the installation and maintenance of inside wire.

In Common Carrier Docket No. 86-111,¹ the Federal Communications Commission considered rules concerning cost allocation between the regulated and unregulated services provided by local exchange carriers, and an Order on cost allocation was released on February 6, 1987. Also, the Commission has indicated in other Orders that it intends to open a cost allocation investigation in the near future. Therefore, in the opinion of the Commission, Brandenburg's inside wire implementation plan should be approved on an interim basis, pending the outcome of the Commission's cost allocation investigation, except insofar as it includes a negative option subscription plan for detariffed inside wire maintenance services.

Brandenburg's inside wire implementation plan includes a negative option inside wire maintenance subscription plan. That is, customers who do not wish to subscribe to Brandenburg's detariffed inside wire maintenance plan must notify Brandenburg during a 30-day advance notice period in order to avoid being billed detariffed inside wire maintenance charges. The Commission will not take any action on Brandenburg's negative option subscription plan and has not taken any action on positive option subscription plans proposed by other local exchange carriers.

¹ Separation of Costs of Regulated Telephone Service from Costs of Nonregulated Activities. Amendment of Part 31, the Uniform System of Accounts for Class A and Class B Telephone Companies, To Provide for Nonregulated Activities and To Provide for Transactions Between Telephone Companies and Their Affiliates.

Since inside wire maintenance services are detariffed, a Commission ruling on inside wire maintenance services subscription plans is not necessary. However, Brandenburg is reminded that regulated services may not be disconnected for nonpayment of detariffed service charges.

Findings and Orders

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Brandenburg's inside wire implementation plan should be approved, on an interim basis, pending the outcome of the Commission's cost allocation investigation, except insofar as it includes a negative option subscription plan for detariffed inside wire maintenance services.

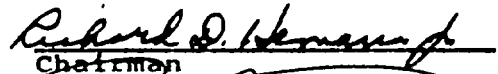
IT IS THEREFORE ORDERED that Brandenburg's inside wire implementation plan be and it hereby is approved, on an interim basis, pending the outcome of the Commission's cost allocation investigation, except insofar as it includes a negative option subscription plan for detariffed inside wire maintenance services.

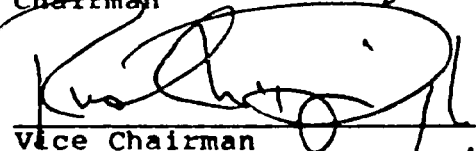
Done at Frankfort, Kentucky, this 30th day of April, 1987.

PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director


Chairman


Vice Chairman


Commissioner